Northwest Territories Industry, Tourism and Investment

2006 Seizing Opportunities: Securing Our Future

Message from the Minister

The Northwest Territories continues to enjoy the fastest growing economy in Canada - and with it, unprecedented opportunity for busi s and resource development.

But with economic opportunity and rapid growth comes the need for responsible developmental planning, service and support for Northwest Territories businesses.

Since its creation, one year ago, the Department of Industry Tourism and Investment has fostered the GNWT's commitment to provide broad support for economic development through a regionally based program delivery model.

Our rich energy potential is providing a strong foundation for our economy – fuelling our commitment to oil and gas exploration, the Mackenzie Gas Project, hydro development, and the emergence of our Territory as a leading supplier to the continental energy market.

We have built on this cornerstone – taken steps to define our role within the NWT's vibrant and wide-ranging economic environment – balancing our efforts to promote sustainable opportunities in the energy, mines, and petroleum resources sectors with our efforts to diversify the economy through development of opportunities in tourism, agriculture, commercial fishing, the traditional economy, trade, investment manufacturing and secondary industries.

I am proud of our accomplishments over the last year, including the launch of the Rare in Nature diamond marketing campaign, a successful NWT presence at Expo, the release of Tourism 2010 – A Plan for NWT Tourism, and securing a partnership agreement with the Federal Government for $2 million dollars in geoscience funding.

Now, with our structure and strategy clearly defined, we are sharpening our focus to improve overall effectiveness of our plans and services; provide greater support to small business, traditional economies and industry; develop an energy policy; and, continue to place high priority on tourism and resource development.

Working together with our partners, we will continue to execute these plans, seizing opportunities to foster a prosperous and diversified economy for the Northwest Territories and securing our future.

Brendan Bell
Minister of Industry, Tourism and Investment

VISION

The Department of Industry, Tourism and Investment will be recognised as a client focused organization contributing to a vibrant, diverse, and sustainable economy for the Northwest Territories.

MISSION

The Department of Industry, Tourism and Investment, in partnership with others, provides quality programs and services to promote and support Northwest Territories economic prosperity and community self-reliance.

GOALS

To promote and support a diversified economy that provides opportunities for Northwest Territories residents.

To promote and support the development of business opportunities, including agriculture, commercial fishing, the traditional economy, tourism, trade, investment, manufacturing, and secondary industries.

To promote the sustainable development of natural resources that respects the conservation and protection of the environment for our future generations.

To promote and support the efficient development, utilization and marketing of energy resources to achieve self-sufficiency, maximize economic opportunities, and realize affordable energy costs.

To secure economic and employment opportunities from responsible resource development for Northwest Territories residents.

To develop partnerships with individuals, businesses, communities, Aboriginal organizations and other governments to foster prosperity and community self-reliance.

Powerful Economic Drivers

The rich resource base of the Northwest Territories supports Canada's fastest growing economy.

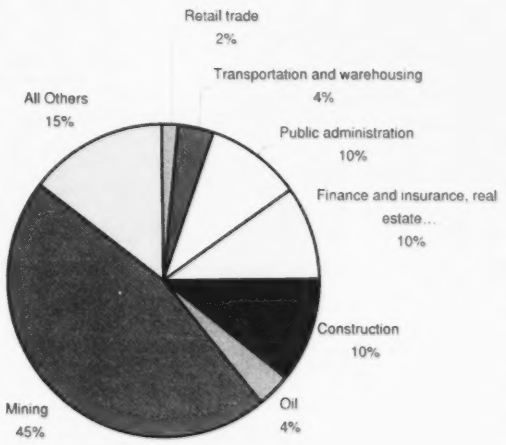
- GDP of the NWT was $3.9 billion in 2005, up significantly from $2.1 billion in 1999.
- Employment growth has been significant with almost 3,800 new jobs generated over the last five years. Our population has only increased by 2,500 over the same period.
- Diamond production for 2005 was $1.7 billion, positioning the NWT as the third largest producer of rough diamonds by value in the world. A third diamond mine is scheduled to begin production in 2007.
- Construction activity contributed $392 million to gross domestic product in 2005, making it the second largest industry in the NWT.
- Oil and gas extraction contributed $135 million to GDP in 2005.
- The Mackenzie Gas Project is anticipated to result in an estimated investment of $7.7 billion (three fields, gathering lines, Inuvik processing plant, pipelines, facilities). The pipeline is expected to stimulate ongoing oil and gas exploration and development.

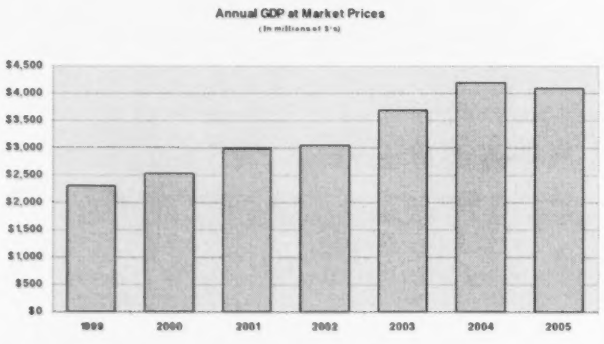
The challenges that we face are two-fold. One is the need to maximize benefits from these developments while creating a positive investment climate. The second is to ensure the development of a diverse economy that makes effective use of our many resources.

- Our renewable resources are underutilized – the size of the sector was valued at only $18 million in 2005, excluding the value of the traditional food harvest.
- Tourism has recovered from global events, and is worth $100 million annually. But there is still significant room for expanding sales, and for developing tourism markets in smaller communities.
- The NWT has the potential to generate significant amounts of hydro-electricity using modern run-of-river technology.
- Manufacturing and innovative approaches to northern needs can provide new opportunities to meet the unique challenges of the north.

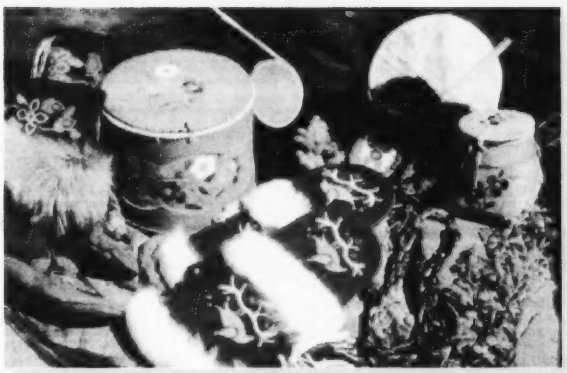
We need to ensure that NWT residents and businesses have an economically sustainable future and the capacity to benefit from both present and future opportunities. To take advantage of the opportunities to diversify our economy, we need to make wise and sustainable use of our natural resources. By working collaboratively with all stakeholders, the NWT will overcome any challenges and build a strong future for all of its people.

NWT GDP by Sector





Dene Craft Tent (Photo: T. Macintosh)



Northern Arts and Fine Crafts (Photo: D. Walker)

Regional Program and Service Delivery

ITI is committed to building a diversified, sustainable economy in the Northwest Territories - beginning at the community level. Our regional delivery model reflects our objective to ensure support and assistance is available in every community in the Northwest Territories.

For help with the establishment, expansion, or modernization of business, contact our staff in the Dehcho, Sahtu, North Slave, South Slave, or Inuvik Regional Offices. They are available to ensure that businesses and entrepreneurs receive access to programs and resources, and maximum benefits from any new developments in their area.

Our staff are working in each Region to strengthen relations and expand communication with communities, businesses, partner organizations, and all regional stakeholders. Regular community visits, together with enhanced communication initiatives, will ensure clients have access to reliable information, assistance and planning advice.

Programs and services are available to support the following:

- New business development and existing business expansion;
- Access to field specialists, such as regional tourism officers, petroleum officers, and business development officers;
- Mentoring, funding and business network development;
- Business training, awareness and counselling;
- Sourcing information and market data; and,
- Development of opportunities in tourism, arts and crafts, agriculture, and the traditional economy.

Our regional representatives are experienced and knowledgeable, and are networked to business development contacts in other organizations, financial institutions, and government departments and agencies. These business development specialists are ready to offer programs, support, advice, and assistance.

Economic Diversification

ITI will facilitate diversification of the economy by promoting and supporting activities that add value to products and services and expand on the knowledge, skills, and creativity of NWT residents.

1. Support and promote NWT Arts.

Guided by the NWT Arts Strategy, and working with partners and stakeholders, ITI will:

- Maintain an online NWT artist database.
- Produce a quarterly artist newsletter.
- Develop and implement NWT Arts branding program.
- Promote use of e-commerce by artists to open access to national and international markets.
- Develop an NWT Arts Marketing Strategy.
- Support purchase of raw materials.

2. Promote and support value-added production.

- Finalize and implement an NWT Manufacturing Strategy.
- Investigate community-based opportunities in the forestry industry.

3. Promote and facilitate innovation in conjunction with the private sector.

- Develop a business plan for an NWT Innovation Centre.
- Partner with industry to encourage technology transfer.

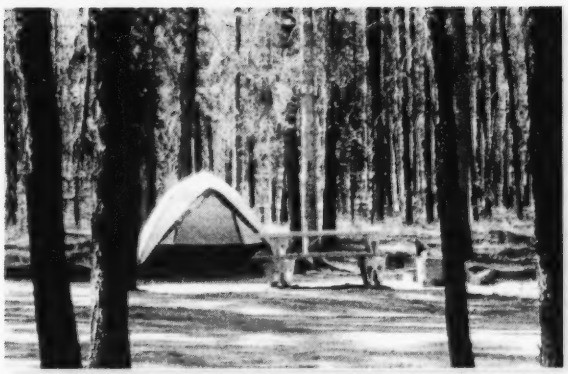
4. Promote NWT products and services.

- Build and promote linkages among traditional economy, arts and tourism.
- Champion business issues in the development of Government policies.
- Ensure effective procurement policies and practices.
- Promote effective trade practices with other jurisdictions.

5. Expand secondary diamond industry

- Promote NWT diamonds through the Rare in Nature marketing initiative
- Build and maintain informal links with businesses/associations by undertaking client surveys and attending trade shows.

Japanese Visitors on the Ice Road (Photo: Tania Spencer)



Queen Elizabeth Territorial Park, South Slave (Photo: Shandel Kissel)

Tourism

ITI will develop and implement NWT tourism strategies with partners in the tourism industry, support and participate in global marketing of tourism, and develop, operate, and maintain public tourism facilities.

Guided by Tourism 2010, the Department will work with industry partners to:

1. Increase numbers of tourist visits and tourism revenues.
- Complete development of NWT brand with partner NWT Tourism.
- Improve marketing focus by establishment of new Tourism Marketing Advisory Committee.
- Work with partners to deliver tourism and hospitality training in every Region.

2. Create a positive regulatory environment for the growth of tourism.
- Streamline licensing requirements for tourism operators through introduction and passage of a new Tourism Act.
- Work with tourism industry to develop new Tourism Operator Regulations.

3. Increase tourism in all NWT regions.
- Implement tourism product development program, to expand and diversify NWT tourism product range.
- Develop at least one new tourism attraction in the Dehcho, South Slave, Sahtu, and Inuvik Regions by 2010.
- Promote and facilitate establishment of new focus on Aboriginal and cultural tourism products.

4. Build on partnerships.
- Support NWT Tourism as the designated marketing organization for the Northwest Territories.
- Work with tourism industry partners to leverage funding from third parties.

5. Implement Diamond Tourism Strategy.
- Work with our partners in the diamond marketing committee to recognize related tourism activities that complement Rare in Nature marketing activities.
- Promote and support opportunities for tourists to add diamond activities to their tourism packages by working with diamond stakeholders, the City of Yellowknife and NWT Tourism.

Parks

ITI will operate and enhance a system of NWT parks and tourist information facilities that support and promote tourism.

1. Develop a Territorial Parks System Plan.
- Develop up-to-date parks inventory document.
- Administer Parks Reservations System.

2. Improve infrastructure.
- Develop new RV sites.
- Designate and develop new Sahtu "Do Et Q" Territorial Park.

3. Improve park experience.
- Develop interpretive and cultural programs.
- Improve park operations to provide consistent quality facilities.
- Develop and implement operational procedures to ensure quality service for visitors.
- Develop and deliver training program for parks staff.

4. Increase the number of park visitors.
- Develop and implement parks marketing strategy.
- Expand parks on-line reservations system.
- Develop electronic permitting system.

5. Explore divestiture opportunities
- Examine opportunities to divest territorial parks located within municipal boundaries.

Henry Sabourin demonstration for Take a Kid Trapping Program (Photo: ITI)

NWT Tourism Annual General Meeting (Photo: B. Dillon)

Traditional Economy, Agriculture & Fisheries

ITI will coordinate support and promote NWT agriculture, fisheries, trapping, and commercial game harvesting to increase economic benefits for NWT residents, communities, and businesses.

1. **Promote and enhance the Traditional Economy.**
   - Complete and implement the "Support to the Traditional Economy Policy".
   - Deliver programs to increase participation, with special emphasis on youth.
   - Deliver certificate trapper training program.

2. **Increase income and profitability of the fur industry.**
   - Promote and support the Genuine Mackenzie Valley Fur (GMVF) program.
   - Promote excellence through the use of best trapping methods and pelt handing practices.
   - Promote adherence to international trade agreements.
   - Expand GMVF programs to include traditionally finished hides.

3. **Promote and support the fishing industry.**
   - Review Commercial Fishing Support Program.
   - Assist commercial fishers to investigate diversification options.
   - Develop marketing campaign in support of the domestic fishery.

4. **Promote and support development of the agriculture industry.**
   - Develop farm-based environmental plans.
   - Promote investments in products and new technology.
   - Promote the development of NWT markets for agri-food products.

Business Information & Intelligence

ITI will support decision making by providing economic data, market intelligence, sectoral information, and opportunity studies.

1. **Identify business information needs and assess program effectiveness.**
   - Build and maintain informal links with businesses/associations by undertaking client surveys and attending trade shows.
   - Undertake tourism research on behalf of industry.
   - Research business issues and publish findings.

2. **Provide relevant and timely information on economic indicators.**
   - Produce and distribute quarterly sectoral newsletter and other information periodically.
   - Provide information through regular web site updates.
   - Undertake and publish sectoral opportunity studies.

3. **Promote best business practices.**
   - Participate in information-sharing among Canadian jurisdictions.
   - Sponsor or facilitate northern business conferences and workshops.
   - Support professional (mentoring program) advice for business management.

4. **Provide technical advisory services to the GNWT and private sector clients.**
   - Undertake economic valuations including: special surveys, economic impact analyses, and trend and forecasting analyses.

Western Arctic Aboriginal Economic Summit and Trade Show (Photo: ITI)

Access to Capital

ITI, in conjunction with the Business Development Investment Corporation, will facilitate access to capital by promoting business financial programs and assistance available from the GNWT, other governments, government agencies, and the private market.

1. **Facilitate client access to capital to take advantage of business development opportunities.**
   - Promote business financial assistance programs.
   - Conclude business program reviews in cooperation with the Business Development and Investment Corporation.

2. **Maximize client access to funding through partnerships with public/private agencies.**
   - Promote use of alternative financial arrangements, such as loan guarantees and letters of credit.
   - Establish partnerships with Indian and Northern Affairs, Canada, Business Development Canada, Aboriginal Business, Canada and private sector financial institutions.
   - Adjust programs to facilitate partnerships.

3. **Promote NWT investment opportunities to national and international audiences.**
   - Promote and champion a healthy NWT business investment environment.
   - Promote NWT opportunities to national/international business interests and governments.

Taltson Hydroelectric Facility (Photo: NTPC)

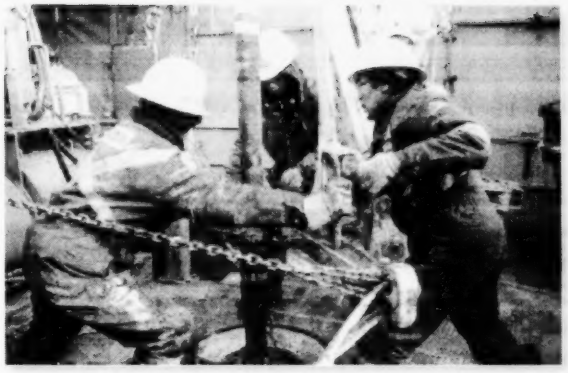
Energy

ITI will coordinate the development and administration of a GNWT energy policy.

1. **Develop an integrated, coordinated approach to energy planning for the GNWT.**
   - Lead in the development of a GNWT policy framework to support energy development, management, and conservation objectives.
   - Co-ordinate and report on government-wide initiatives related to energy.
   - Lead in the development of a GNWT Energy Plan.

2. **Identify emerging energy opportunities and develop plans to take advantage of them.**
   - Research and analyze world energy supply and demand statistics.
   - Maintain and disseminate energy information.
   - Work with partners to research and develop cost-effective NWT energy supply options, including renewable energy options.
   - Seek out markets to generate revenues from surplus NWT energy supplies.

Construction at Diavik Diamond Mine (Photo: Diavik)



Drilling Rig Crew (Photo: Akita)

Mines & Minerals

ITI will lead in developing and promoting strategies to increase NWT economic benefits from mining activities.

1. Promote and support mineral exploration and sustainable mineral development.
- Work with partners to develop a mineral investment strategy.
- Seek increased Federal funding for geoscience.
- Develop a socio-economic policy framework.
- Develop a minerals commodity price forecasting model to guide investment decisions.

2. Diversify the commodity base.
- Focus the Prospector Grubstake Program on projects that will diversify the commodity base.
- Implement an Advanced Mineral Exploration Program targeted at diversification of the commodity base.

3. Promote and support economic participation by NWT residents.
- Deliver prospector training programs.
- Develop a public outreach program.
- Conduct a North Slave Mining Business Opportunity Study.
- Maximize economic opportunities through socio-economic agreements.

4. Expand secondary diamond industry through diversification and growth.
- Improve access to rough diamonds.
- Foster development of NWT cutting/polishing industry.
- Promote and deliver GNWT Diamond Certification Program.

5. Prepare for devolution of management responsibilities for subsurface minerals.
- Respond to requirements for development of organizational design and policy framework.

Oil & Gas

ITI will lead in developing and promoting strategies to increase NWT economic benefits from oil and gas exploration, development, and transmission activities.

1. Promote and support oil and gas exploration and sustainable development.
- Work with partners to develop an investment strategy.
- Seek increased Federal funding for geoscience.
- Develop a socio-economic policy framework.
- Develop an oil and gas commodity price forecasting model to guide investment decisions.

2. Promote and support economic participation by NWT residents.
- Develop a public outreach program.

3. Support the sustainable development of the Mackenzie Gas Project.
- Coordinate GNWT plans and actions, including providing for participation in the Joint Review Panel process, the National Energy Board process, and the Socio-Economic Agreement negotiations.
- Provide information and facilitate strategic relationships through the GNWT Mackenzie Valley Pipeline Office.
- Develop plans to maximize economic opportunities for NWT residents.
- Build strategic relationships with key stakeholders.

4. Prepare for devolution of management responsibilities for oil and gas.
- Respond to requirements for development of organizational design and policy framework.

Mist over the Mackenzie Mountains, Sahtu (Photo: ITI)

Your views are important to us. Please direct your comments and suggestions by letter or email to:

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Supporting the Vision of the 15th Legislative Assembly

The vision, mission, goals, and plans of the Department of Industry, Tourism and Investment support the vision of the 15th Legislative Assembly and the following priorities of the Government of the Northwest Territories Strategic Plan:

- Benefiting from the development of northern resources – concluding fair devolution and resource revenue sharing agreements with Canada.
- Negotiating, through the devolution process, authority for northern government over the regulatory regime – establishing consistent standards and practices.
- Diversifying our economy – supporting small business, traditional economies, agriculture development and fisheries, and expanding our tourism sector.
- Maximizing northern benefits from the proposed pipeline – ensuring northerners have the skills and take advantage of the economic opportunities associated with the construction of the Mackenzie Gas Project.
- Building an efficient and effective energy sector – providing clean and affordable energy to northern consumers, and encouraging conservation.

Northwest Territories Industry, Tourism and Investment